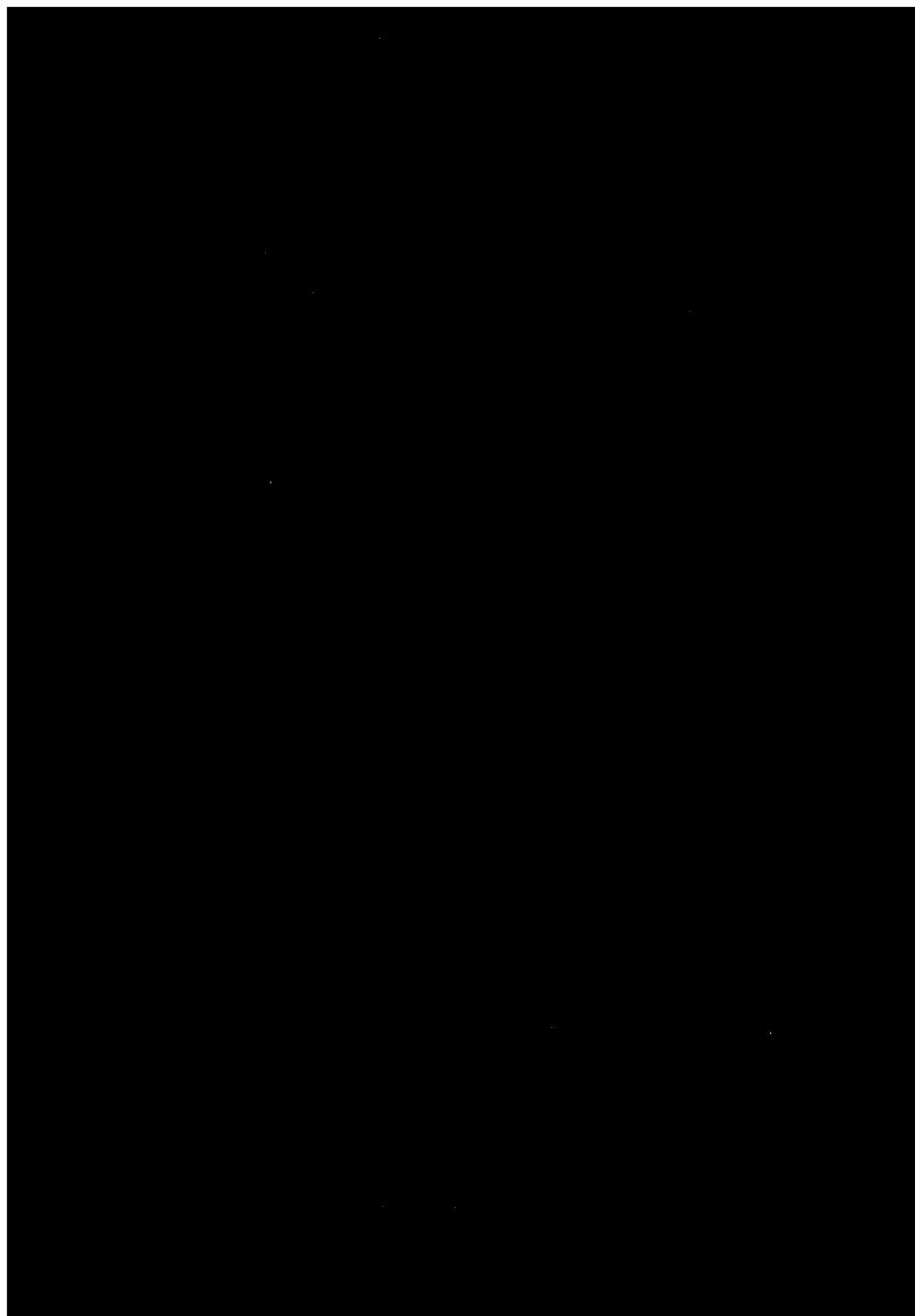


The
Crow's Nest
Pass Coal
Company
Limited



Twenty - sixth
Annual Report
1922



The Crow's Nest Pass Coal Company Limited

Capital Stock (Authorized)	\$10,000,000.00
Capital Stock (Subscribed)	6,212,666.66
Capital Stock (Paid Up)	6,212,666.66

Company's Head Office
Fernie, B.C.

Stock Transfer Office
Toronto General Trusts Corporation
83 Bay Street, Toronto

Registrar
National Trust Company, Limited, Toronto

BOARD OF DIRECTORS FOR 1923

PRESIDENT

W. R. Wilson

General Manager, The Crow's Nest Pass Coal Company, Ltd.

FIRST VICE PRESIDENT

H. B. McGiverin

Messrs. McGiverin, Haydon & Ebbs, Barristers, Ottawa.

SECOND VICE PRESIDENT

W. H. Robinson

Vice President, Granby Consolidated Mining, Smelting & Power Company, Granby, P. Q.

DIRECTORS

Dr. G. W. Howland

Toronto.

Ellis P. Earle

President, Nipissing Mines Co. and Georgia Peruvian Ochre Co.

Director, Chatham and Phoenix National Bank, N.Y. and

Vice President, Granby Consolidated M. S. & P. Co.,

New York, N. Y.

A. H. MacNeill, K. C.

Vancouver, B. C.

James T. Maher

Right-of-Way, Land and Tax Commissioner,
Great Northern Railway Company, St. Paul, Minn.

James F. Edgar

Barrister, Toronto.

L. C. Gilman

Barrister, Seattle.

OFFICERS

Treasurer.....	A. A. Klauer.
Comptroller.....	Geo. H. Hess, Jr.
Secretary.....	J. S. Irvine.
Auditors.....	Messrs. Welch, Campbell & Lawless, Chartered Accountants.

PROCEEDINGS

OF THE

TWENTY-SIXTH ANNUAL MEETING OF THE SHAREHOLDERS

On the 8th day of June, 1923, the Annual General Meeting of the Shareholders of the Company was held, pursuant to Notice, at the Head Office of the Company, Fernie, B.C., at 2.30 p.m.

The following Shareholders were present, representing 74% of the Stock:—

In Person and By Proxy—

J. F. Edgar.	A. Klauer.
L. C. Gilman.	A. H. MacNeill.
W. R. Wilson.	J. T. Maher.
John Adam & Son.	Elizabeth Folingsby.
Florence Maud Alley.	Gertrude Hill Gavin.
George Anderson.	Emily H. Gemmill.
Jules E. H. Barth.	W. H. Goadby.
Anson McCook Beard.	W. H. Goadby & Co.
A. H. Beaton.	Richard Temple Godman.
Rachel Hill Boeckmann.	Lillie E. Gouinlock.
E. S. Brown.	Robert B. Graham.
Estate Sir R. J. Cartwright.	Granby Consolidated Mining,
Eliza A. Clinch.	Smelting & Power Co.
G. W. Cook.	Green Dodds & Co.
Gordon E. Corbould.	Albert R. Greene.
D. S. Curry.	D. R. Gunn.
Daniel Davies.	Harry B. Hall.
D. B. Dicks.	C. D. Halsey Co.
Ellis P. Earle.	Hanson Bros.
Annie E. Eaton.	William Hanson.
Maud Edgar.	Ella B. Harriss.
Pelham Edgar.	Harris L. Hees.
Fannie Edgar.	Heron & Co.
Ruby T. Edgar.	Edith S. Hill.
Myrtle M. Ellis.	Estate Mrs. Mary T. Hill.
Catherine O. Elwell.	B. Hochschild.
K. Beatrice Evans.	Frances Ellen Hunter.

Beverley Jones
Elizabeth C. Kelley.
L. M. Kelley.
Elizabeth Kirvan.
Ellen Laughery.
Margaret Laurie.
Clara Hill Lindley.
Estate G. G. S. Lindsey.
Isa F. McLaren.
William Mansell.
Frederick Richard Martin.
Col. J. Cooper Mason.
Mary D. Mason.
Frank E. Maulson.
D. Campbell Meyers.
W. G. Mitchell.
Mary Monteith.
William McFarren.
H. B. McGiverin.
Jane McAndrews.
E. T. Nichols.
A. J. Pattison, Jr. & Co.
Llewellyn Purdon.
Clara H. Williams.
Ida L. Williams.

Mark H. Irish.
Alexander S. Purdy.
William T. Rasmus.
Jennes Brock Richardson.
W. H. Robinson.
Alfred Rogers.
Helena M. Schickendantz.
Violet A. Seaman
Robert R. Simpson.
Charlotte Hill Slade.
Jessie L. Sparks.
J. P. Steedman.
Henry Swan.
James H. Swan.
G. H. H. Symonds.
Hon. John Horbert Turner.
Nicholas Terhune.
B. S. Vanstone.
F. C. Vanstone.
Ida May Vanstone.
Selena J. Vanstone.
T. H. Whitehead.
Henry Winnett.
H. G. Wynes.
William Young.

On motion, Mr. Wilson was requested to take the Chair, and Mr. Irvine to act as Secretary.

The Secretary read the Notice calling the meeting for the 8th day of June, 1923, at 2:30 p.m.

On motion of Mr. MacNeill, seconded by Mr. Gilman, the Minutes of the last Annual Meeting, held on the 9th day of June, 1922, were taken as read.

On motion of Mr. MacNeill, seconded by Mr. Gilman, the Twenty-sixth Annual Report of the Directors, and the accompanying Financial Statement, were taken as read.

DIRECTORS' REPORT FOR THE YEAR 1922.

To The Shareholders—

Your Directors for the year of 1922 respectfully submit their Twenty-sixth Annual Report, showing statement of the Company's Assets and Liabilities on the 31st of December, 1922, together with the Profit and Loss Account for the year ending on that date.

The balance at the credit of the Profit and Loss Account, brought forward from 1921, was \$93,725.51, less 1919 Federal Income Tax, and Federal Income Tax adjustments for the years of 1920 and 1921, amounting to \$11,489.74, to which was added Adjustment of 1921 Liability Insurance, \$2,622.11, making an actual balance at the end of 1921 of \$84,857.88. To this has been added the sum of \$213,959.05, the same being the Company net Profits from all sources of the operations for the year 1922. After making provisions for the Dominion Income Tax for the year of 1922, amounting to \$21,001.27, there was left a total of \$192,957.78. During the year, the Directors have paid four dividends of 1½ per cent. each, making a total of 6 per cent. for the year, amounting in all to \$372,690.00, leaving a debit balance of \$94,874.34 to be carried forward and provided for during 1923.

The operative profits of the subsidiary Companies; The Crow's Nest Pass Electric Light & Power Company, Limited were \$9,384.38, and The Morrissey, Fernie & Michel Railway Company, \$67.14, and in each case the amount has been carried to reserve for depreciation.

During the year the Coal Company spent on improvements \$35,293.80, and the Railway Company \$1,270.72.

The Coal mined during the year amounted to 569,339.14 tons, as against 774,847 tons mined during 1921, and the Coke produced was 46,368 tons, as against 66,569 tons during 1921.

The decreased production in each case has been attributable to the five months' strike.

All of which is respectfully submitted.

Fernie, B.C., June 8th, 1923.

W. R. WILSON,
President.

BALANCE SHEET, DECEMBER 31st, 1922

Assets

Cash on hand and in Banks	\$ 501,867.73	
Accounts Receivable	521,494.06	
Inventories—		
Coal, Coke, Stores, etc.	167,486.52	
	<hr/>	\$ 1,190,848.31
Securities and Shares Owned		1,219,550.94
Unexpired Insurance		24,504.96
Mines, Real Estate, Plant and		
Equipment	6,549,618.80	
Less: Reserve for Depletion		
and Depreciation	2,470,962.63	
	<hr/>	4,078,656.17
		<hr/>
		6,513,560.38

Liabilities

Accounts Payable	\$ 220,469.72	
Provision for 1922 Federal In-		
come Taxes	21,001.27	
Contingent Liability Reserve....	154,297.07	
	<hr/>	395,768.06
		<hr/>
		\$6,117,792.32
Capital Stock—Paid Up	6,212,666.66	
Profit and Loss Account DEBIT		
Balance	94,874.34	
	<hr/>	\$ 6,117,792.32
		<hr/>

Fernie, B.C., June 8, 1923.

A. A. Klauer,
Treasurer.

PROFIT AND LOSS ACCOUNT

Year Ended December 31st, 1922

Balance at CREDIT January 1st 1922	\$93,725.51
Less: Federal Income Tax 1919 Paid	
in 1922	\$10,566.14
Adjustment of Federal Income Taxes	
1920 and 1921 Paid in 1922	923.60
	<hr/> 11,489.74
	<hr/> 82,235.77
Add: Adjustment of 1921 Liability In-	
surance	2,622.11
	<hr/> 84,857.88
Profit: Land, Timber Operations and	
other Sources	53,929.43
Coal and Coke Operations	160,029.62
	<hr/> 213,959.05
	<hr/> 298,816.93
Less: Provision for Federal Income	
Tax, 1922	21,001.27
	<hr/> 277,815.66
Dividend—	
No. 53. Paid March 1st	93,172.50
No. 54. Paid June 1st	93,172.50
No. 55. Paid September 1st	93,172.50
No. 56. Paid December 1st	93,172.50
	<hr/> 372,690.00
	<hr/>
Balance at DEBIT December 31st, 1922	\$94,874.34
	<hr/> <hr/>

Fernie, B.C., June 8, 1923.

A. A. Klauer,
Treasurer.

AUDITORS' REPORT AND CERTIFICATE

**To the Shareholders of
The Crow's Nest Pass Coal Company, Limited.
Fernie, B.C.**

Gentlemen:-

We Certify that we have audited the books and accounts of your Company for the year ended December 31st, 1922, and that the appended Balance Sheet is, in our opinion, so drawn as to exhibit a true and correct view of the Company's position as at that date and as shown by the books.

We further certify that all our requirements as Auditors have been fully complied with.

Respectfully submitted,

Welch, Campbell & Lawless,
Toronto, April 10th, 1923. Chartered Accountants.

THE PRESIDENT'S ADDRESS

In moving the adoption of the report, Mr. W. R. Wilson, President of the Company, said:—

I am in the unpleasant position of having to state that the operations of 1922 were seriously effected through contentions about International Coal Mine Wages.

In 1921, Wage Scale Agreement expired on the 31st of March, 1922, at a time when the chief co-dependent industries on coal had come to realize the necessity for accepting a lower ratio of wages for the purpose of helping to re-establish such industries. It was, therefore, reasonable to presume that those especially engaged in the production of coal, would take the same broad view of things, and at least recognize the fundamental necessity of agreeing to the acceptance of a reduced scale of wages for coal mining work that would be in harmony with what had been done by other classes of labor that were engaged in other co-dependent industries. These expectations were not realized, for those responsible for the guidance of Coal Mine Labor on this Continent especially refused to accept the belief that any concessions in the form of reduced wages for Coal Mining Communities was necessary at that time. The controversy continued from April 1st, 1922 to the latter part of August of the same year, or about five months, during which time this Company's Mines were not only unproductive, but were under a serious daily cost in the form of caring for continual Mine Drainage, and general maintenance charges. The employees of the Company lost during the five months of strike, about \$1,200,000 in wages, and the Company correspondingly endured the loss that resulted from the maintaining of idle plants for five months.

After the five months' contention, a temporary understanding was reached between the United Mine Workers of America, and the Operators of the District to re-open the mines and carry on operations at the 1921 Wage Scale Rates until April 1st, 1923. During March 1923 it was further agreed by the interested parties to allow 1921 and 1922 Wage Scale Agreements to continue for one more year, which understanding we are now working under.

From what I have stated, it may be noted that this District is still continuing to pay the high scale of Coal Mine Wages that were stimulated by the exigencies of the late war. The result of these high wages and correspondingly high cost of production is creating a new set of adverse and discouraging conditions for this District in particular, for through the high cost of Coal Fuel, Railroads that this Company in particular largely depended upon for their economic continuity are displacing Coal Fuel by Oil Fuel, which they have only done after patiently

waiting for two years to see Coal prices return to more normal selling prices. In addition to this, Smelters are prevented from accepting the lower grade of Ores because of the abnormally high prices of Coke due to the high wages. I may here, before closing my remarks, note that when wages are increased in this District, the cost of production becomes magnified over and above the cost of Coal Mining Fields that are operating under more favorable physical conditions, such as uniformity of structural coal bedding, good overlaying roof and greater freedom from dangerous gas generation. For example, the day wage men in our mining fields here, due to the abnormal physical conditions we have to deal with, will exceed the day wage labor employed under the more favorable physical and structural conditions in Western Pennsylvania and West Virginia by from 100 to 300 per cent. which necessary and excessive application of day labor effects the cost of production in about the following corresponding ratio:

Western Pennsylvania, percentage of day men average about	30%
Virginia, percentage of day men average about	25%
This District, percentage of day men average about	60%

During the seven months' operations the mines produced 569,339 tons of coal, Michel Owens producing only 46,368 tons of coke. The low production is largely accounted for by five months' suspension of operations, or strike.

In co-relation to the stated production, the following corresponding development work was done in the Mines during the year:

At Coal Creek Mines:
Narrow Development work driven amounted to 44,115 feet

At Michel Mines:
Development work driven amounted to 6,225 feet
Total all Mines during 1922 50,340 feet

The preceding figures fully maintain the developed capacity of all mines up to a daily producing stage of 4500 tons per day of eight hours operations. It may here be interesting to mention that at the close of 1922 the combined measurements of all the main roadways in the Company's Mines amounted to 164,126 feet, or about 31 miles.

During the year, the Company installed 16,420 feet of new Water Lines for spraying the working places, or for the purpose of allaying the light floating coal dust generated in the working faces.

I may further remark that during the year, the United States Government have placed a reciprocal tariff against Canadian Coal of 53 cents per ton on all grades of coal except slack that goes through a three-quarter inch screen, and 14 cents per ton on the three-quarter inch slack. This tax it is needless for me to state, is proving to be a further detriment to the production at these mines.

The Auditors' Report shows the resultant returns from the year's broken operations, which I respectfully submit for your consideration.

I beg to move the adoption of the Report.

Mr. Maher seconded the motion.

An opportunity was then given for discussion, after which the motion to adopt the Report was put to the meeting, and carried unanimously.

It was moved by Mr. MacNeill, seconded by Mr. Maher, that all actions of the Board of Directors and Officers of the Company during the past year, in so far as they appear of record, be and the same are hereby approved.
(Carried)

It was moved by Mr. MacNeill, seconded by Mr. Maher, that the firm of Messrs. Welch, Campbell & Lawless, Chartered Accountants, of Toronto, be appointed Auditors of the Company for the ensuing year. (Carried)

It was moved by Mr. Edgar, seconded by Mr. Gilman, that the thanks of the Shareholders are due and are hereby tendered to the Officers, Staff and Employees of the Company, for their zeal and effective service in the interest of the Company during the past year.

It was moved by Mr. Maher, seconded by Mr. MacNeill, that Mr. Irvine and Mr. Klauer be appointed Scrutineers for the election of Directors. (Carried)

It was moved by Mr. Maher, seconded by Mr. Klauer, that the following gentlemen be nominated as Directors of the Company for the ensuing year: Mr. W. R. Wilson, Mr. H. B. McGiverin, Mr. W. H. Robinson, Mr. Ellis P. Earle, Dr. G. W. Howland, Mr. A. H. MacNeill, Mr. James T. Maher, Mr. James F. Edgar and Mr. L. C. Gilman

It was moved by Mr. Maher, seconded by Mr. MacNeill, that the Chairman cast one ballot on behalf of the Shareholders and in favor of the gentlemen nominated as Directors of the Company for the ensuing year. (Carried)

The Scrutineers reported the gentlemen nominated as having been duly elected Directors of the Company for the ensuing year.

It was moved by Mr. Gilman, seconded by Mr. Maher, that By-Law No. 146, (being a By-Law to change the date of the Annual Meeting of Shareholders from the second Friday in June in each year to the second Friday in July in each year) passed by the Directors the 8th day of June, 1923 be, and the same is hereby confirmed.

(Carried)

The meeting then adjourned.

At a subsequent meeting of the Directors, the following Officers were elected:—

President and General Manager....	Mr. W. R. Wilson.
First Vice President.....	Mr. H. B. McGiverin.
Second Vice President.....	Mr. W. H. Robinson.
Treasurer.....	Mr. A. A. Klauer.
Comptroller.....	Mr. Geo. H. Hess, Jr.
Secretary.....	Mr. J. S. Irvine.

